

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION**

IN RE:	§	CASE NO. 08-35653
	§	(JOINTLY ADMINISTERED)
CIRCUIT CITY STORES, INC.	§	
	§	
	§	
DEBTORS	§	CHAPTER 11

TRAVIS COUNTY'S OBJECTION TO FIRST AMENDED JOINT PLAN OF
LIQUIDATION OF CIRCUIT CITY STORES, INC. AND ITS AFFILIATED DEBTORS
AND DEBTORS IN POSSESSION AND ITS OFFICIAL COMMITTEE OF CREDITORS
HOLDING GENERAL UNSECURED CLAIMS

COMES NOW, Nelda Wells Spears, Travis County Tax Assessor-Collector for and on behalf of the following taxing authorities: Travis County, City of Austin, Austin Independent School District, Austin Community College, and Travis County Hospital District (hereinafter referred to as, "Travis County") by and through her attorney of record, David Escamilla, Travis County Attorney, and files this Travis County's Objection to First Amended Joint Plan of Liquidation of Circuit City Stores, Inc. and its Affiliated Debtors and Debtors in Possession and its Official Committee of Creditors Holding General Unsecured Claims, and in support thereof would respectfully show the Court the following:

1. Travis County received its first notice of the above referenced bankruptcy on November 10, 2008. Travis County filed its secured Proof of Claim in the amount of \$121,008.34 on February 2, 2009.

2. The claim of Travis County takes priority over the claims and interests of any other creditor in this bankruptcy proceeding under section 32.05 of the Texas Property Tax Code.

3. Pursuant to sections 33.01(a) and (c) of the Texas Property Tax Code, the claim of Travis County receives a 12% penalty as well as interest at the rate of 1% for each month the property taxes remain unpaid.

4. Travis County objects to the First Amended Joint Plan of Liquidation of Circuit City Stores, Inc. and its Affiliated Debtors and Debtors in Possession and its Official Committee of Creditors Holding General Unsecured Claims, because the plan only provides for payment of “interest on the unpaid portion thereof at the Case Interest Rate,” the plan does not allow for payment of Travis County claim with the payment of 12% interest. Debtors’ failure to include Travis County's claim with 12% interest renders the plan unfair and inequitable as to Travis County under sections 511(a) of the Bankruptcy Code. It also violates sections 32.05 and 33.01 of the Texas Property Tax Code.

5. As demonstrated above, the treatment of Travis County's claim in the First Amended Joint Plan of Liquidation of Circuit City Stores, Inc. and its Affiliated Debtors and Debtors in Possession and its Official Committee of Creditors Holding General Unsecured Claims, is much less favorable than the statutory treatment of the claim under state law. Indeed, state created property rights will not be destroyed in a bankruptcy context. *In re Village Properties*, 723 F.2d 441 (5th Cir. 1984).

WHEREFORE, PREMISES CONSIDERED, Travis County respectfully requests that this Court deny confirmation of the First Amended Joint Plan of Liquidation of Circuit City Stores, Inc. and its Affiliated Debtors and Debtors in Possession and its Official Committee of Creditors Holding General Unsecured Claims, and for such other relief to which Travis County is justly entitled.

Respectfully submitted,

**DAVID ESCAMILLA
Travis County Attorney**

By: /s/ Jeremy W. Martin
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CERTIFICATE OF SERVICE

I, Jeremy W. Martin, hereby certify that a true and correct copy of the foregoing Travis County's Objection to First Amended Joint Plan of Liquidation of Circuit City Stores, Inc. and its Affiliated Debtors and Debtors in Possession and its Official Committee of Creditors Holding General Unsecured Claims was served by electronic transmission via EM/ECF or by regular, First-Class United States Mail, postage pre-paid on all parties required to receive notice, including the following:

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